



A STUDY ON THE FACTORS AFFECTING JOB-HOPPING BEHAVIOUR OF IT EMPLOYEES

Ashwini Ramkumar¹ | Atul kumar¹ | Satish Kumar.V¹ | Sangeet Hazarika¹ | Sannapareddy Radhika¹ | Shravanthi. V. K¹

¹ ITM Business School Siruseri, Chennai.

ABSTRACT

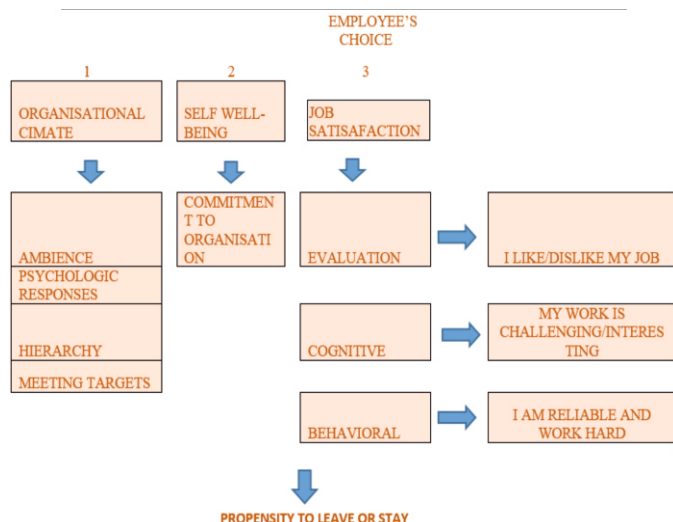
The IT industry has done wonders for the Indian economy. It has generated huge employment and boosted the spending power of youngsters. This sunrise industry is facing major HR challenges in finding skilled talents and curbing the job-hopping. Job-hopping is most prevalent in this industry due to rapid growth. 3-4 jobs in less than a year have stopped raising of eye brows or gaping of mouths. Still there are lots of reasons to job-hopping and we have tried to understand the reasons behind this. It has become a fashion to Job-hop. Employees start showing signs of boredom to spend a long period of time in the same company. Such psychological behavior might not prove to be helpful always since they have the idea that career growth is more or opportunities are at large if they change to another company. Employers still look for the level of consistency to a particular process that the potential candidate might handle with and they are definitely not going to be happy with employees walking away quoting various reasons. However, faults on the employers' side are often talked about too. These would include poor pay policy, lack of recognition or rewards, poor access to work, or improper information on the role of the job expected to be done. All these have dwindled over time and now the fashion of job-hopping has come into the scene. This problem of job-hopping has been studied upon by a number of researchers in diverse fields in different sectors. Concurrent to job-hopping of the employees is the attempt by employers to bring in practices that might help in retention of such employees for the purpose of setting off damages as well as providing an increased comfort to the HRs. This paper is one such attempt at studying job-hopping and understanding the ways to retain such job-hoppers.

INTRODUCTION

This study is an attempt on understanding the conditions and positions created to a person at his/her workplace that leads to the changing of jobs and companies in the IT sector. Although most people changed jobs frequently earlier, this rate has consistently been increasing and has led to such people being called as job hoppers. Job hopping has become a pattern of changing companies every year or two of one's own volition rather than earlier accepted reasons such as closure of companies or a layoff. Years ago it was common for people to work for the same employer their entire careers and the employers had suspected that job applicants with a lot of short stints on their resumes were unreliable. As liberalization, globalization and privatization is taking its' new avenues, the adversities of new corporate gimmicks are coming up. The concentration of job hopping manpower is exploring new avenues with new cult of the survival in the corporate. The things of the past were admired with the achievements but in today's information era, when origin of new thoughts and hopes are rising, the corporates are finding it difficult to sustain from the job-hopping employees. But reasons for such behavior by these job-hoppers have been tried to be understand. Adding to complications in facing challenges and sustaining in highly diversified environment, employees, especially in the IT industry have been pointed to be having several psychological and behavioural disadvantages. This study has successfully helped in identifying these and, suggestions and initiating measures that the corporates can adopt to overcome these and help in retaining such workforce.

THEORETICAL FRAMEWORK

VELDMAN'S EMPLOYEE COMMITMENT MODEL:



LITERATURE REVIEW:

According to Lee and Rwigema (2005), job satisfaction, affective commitment and withdrawal intention both predict employee's decision to stay or leave. Changing jobs every two years is no longer frowned upon; instead it is encouraged as reported by Munk(1998); how else do you expect to get a huge raise. Poddar (1996) reported that Hindustan

Organic Chemical Ltd has been able to retain people for many reasons but predominantly for a good school and a model hospital for its employees. Sometimes in the IT industry when the job is not providing enough challenge and satisfaction, (Munk, 1998) they start looking out for more challenge and excitement. Moreover, sometimes job stress and unpleasant working conditions lead to high executive turnover.

Findings of a latest study by research and analytic firm evaluations reveal that the multiple career steps within the same company accelerate a professional's growth more than many horizontal moves across companies. Higher pay and better employment prospects may be utmost for a person switching companies, but job-hopping can severely hamper career growth as well as wealth creation in long-term. The experts believe that sticking to the same company for more time, rather than aimlessly hopping; can provide better learning and career momentum to young professionals. Job hopping is largely done in two circumstances, primarily for career progression and secondly for compensation. In the first instance, the candidate comes across as a responsible, forthright and result-oriented. In the latter case, it comes across as professionally immature, myopic and highly selfish. This is considered as the biggest negative factor. (Ms.T.Subha)

Job satisfaction varies from company to company and same is the case with HR policies and practices, pay and benefits, retention of HIPO's, critical resources and location, which indicates that every organization has a unique work culture, management approach and people practices which in turn have a direct impact on employees. An organization's proactive efforts-qualifies it to be an employer of choice or vice-versa and thereby having a direct impact on employee motivation and intention to stay. (Issue 6. Job hopping & ET).

People managers have a broader influence on the environment in which the employees carry out their work and are the primary link between the employees and the organization and employee turnover (ET) is often utilized as an indicator of corporate performance and can easily be observed negatively towards the organizations efficiency and effectiveness. ET is a natural outcome of doing business, yet can be very harmful in large numbers. There is a strong evidence to support the fact that cultural flavors have impacted attrition regionally.

Turnover has been defined as movements across membership boundaries of social systems. People switch jobs because they have an urge to try out new things or simply because it is fun doing so. (IJRCM)

The problem of job hopping has been researched upon by a number of researchers in diverse fields. In the different sectors, which contribute to form a major

chunk of a country's GDP, and claim to provide employment to a major part of the workforce, it is pertinent, therefore, to analyze the factors which lead to the employees' disengagement from these sectors. Further, with the increasing permeability of boundaries on the global front, thanks to neo-liberalization waves, the cross-occupational and cross-organizational mobility of the employees has witnessed a phenomenal growth. Concurrent with the job hopping of the employees is the attempt by the organizations to bring in practices which might help in the retention of the employees in a bid to offset the damages of the rising attrition. (SSRN)

OBJECTIVES:

1. TO STUDY THE PSYCHOLOGICAL, GEOGRAPHICAL, ECONOMIC AND SOCIAL FACTORS AFFECTING JOB HOPPING
2. TO STUDY THE IMPACT OF SUCH FACTORS ON IT EMPLOYERS AND EMPLOYEES
3. TO SUGGEST MEASURES TO RETAIN SUCH EMPLOYEE

NEED FOR STUDY

Massive globalization and privatization in India has resulted in high employment opportunities in various sectors that are widely spread across the country. This descriptive study focuses on the behavior that is casted by the employees in the IT sector due to various reasons in this era of increased employment opportunities. This study would help us suggest measures to the employers on how they could retain their skilled and efficient employees as well as provide insight to the employees who prefer to job-hop.

RESEARCH METHODOLOGY

- **Population:** The population selected for the study comprises of IT professionals working in Chennai.
- **Research Design:** This is a general primary study wherein we try to explain what factor affects the individual's preference to remain or leave from the workplace.
- **Sample Design:** The particulars of sample design are as follows:
 - a. Type of Universe: Finite
 - b. Sampling Type: Convenience sampling
 - c. Sampling Unit: Chennai, Tamil Nadu
 - d. Sample Size: 310
 - e. Parameters of Interest: Preference of IT professionals to remain at a work place or job-hop.
- **Tool of data collection:** Google Forms has been used to collect data which has provided leverage to collect data without the surveyors having to move geographically from one part of the country to the other in order to collect data from various parts of the nation.
- **Sources of Data:**

Primary data: Responses from the survey which was conducted for 300 candidates across the city.

Secondary data: Research publications, standard journals, books, newspapers, and most importantly popular websites like entrepreneur.com, Wikipedia.com, etc.

- **Research Instrument:** Questionnaire – Data is collected using a structured questionnaire (find the appendices for questionnaire). The questionnaire was created using Google Forms and the data was collected in Google Sheets.

ANALYSIS:

1. RELIABILITY TEST: The reliability of the data that is collected has been tested. It is called the Cronbach's Alpha test.

Reliability Statistics

Cronbach's Alpha	N of Items
0.668	61

2. CHI SQUARE TEST: The Chi square test is performed on the categorical dependent variable "Whether the person is a job-hopper" and categorical independent variable "gender".

Crosstab					
Count					
		Gender			Total
		1	2	1	
Are you a job hopper?	1	111	103	1	215
	2	54	41	0	95
	4	0	0	1	1
Total		165	144	2	311

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	155.879a	4	.000
Likelihood Ratio	12.092	4	.017
N of Valid Cases	311		
a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is .01.			

Interpretation:

- Reject the null hypothesis if significance level is less than .05.
- Gender factor is significant with a significance level of 0.000 in Pearson's Chi-Square.
- Therefore the null hypothesis is rejected and alternate hypothesis is accepted.

3. One-way ANOVA: The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of two or more independent (unrelated) groups (Although you tend to only see it used when there are a minimum of three, rather than two groups).

Here the dependent variable is taken as the monthly personal income of the respective samples and the factor that it affects has been taken as the decision of "continuing to job"

ANOVA					
Monthly personal income					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.218	2	.109	.434	.648
Within Groups	76.892	307	.250		
Total	77.110	309			

Interpretation:

- If the "p" value is greater than .05 accept the null hypotheses.
- Here the same is implied since the value is 0.648 which is greater than .05.
- Hence, null hypothesis is accepted.

LIMITATIONS OF THE STUDY

- The sample group is restricted to the city of Chennai alone.
- The time frame allotted for the study is limited. Thus the sample size was restricted to 300.

Some of the respondents did not respond well thus the study may vary to the opinions of the respondents.

FINDINGS AND CONCLUSION:

- This study shows that Economic factors are the highest in scale to affect job-hopping behavior by IT employees.
- It is followed by psychological, geographic and social factors respectively.
- Gender, age and monthly personal income affect job-hopping behavior.
- People of age group varying from 21 to 30 years are the most number of people who job-hop.
- Irrespective of changes in employer behavior for the betterment, employees at a large extent would continue to job-hop.
- Based on the data collected, it is understood that people falling in the age of above 30 or 40 tend to reduce or quit the behavior of job-hopping since they

tend to settle themselves down at that particular time of life. They stick to the particular job since family life becomes important at a point.

SUGGESTIONS TO EMPLOYERS AND EMPLOYEES:

- Managers need to understand that people change, as do their interests and goals. The problem is that most feel that change will come when the employee grows out of their position and moves on to another company. But managers who take the time to listen to employees can focus on cultivating those employees' sweet spots, making it easier to retain them.
- Retaining talent can be an expensive problem for businesses. If staff turnover is high, the costs associated with attracting and training new staff can go through the roof. The common phrase that 'you join a company and leave a manager' tends to hold true no matter what industry you're in. Yet if this is generally accepted, then why do businesses seem to be reluctant to spend time and money developing management skills, and why does employee retention remain a key business challenge for most HR departments?
- This study has found that many factors influence personal turnover today, including the onboarding experience, job design, role clarity, role conflict and relationship with manager. Opportunities for career and personal development, including promotions, training and development are also cited as important indicators for retention. The challenge then becomes finding the right balance of these factors to get the right talent into your organization and keep the best performers for longer.
- Reducing turnover does not mean eliminating turnover. Think about your own organization, which may have a reward for employees who reach the five, ten or even twenty year employment mark. Whether it's a pen, trophy, or even a monetary bonus, these rewards show appreciation for sticking with the organization over the years. But does your company have a thirty year reward? How about a 50 year reward? Probably not. That's because it's becoming more and more unlikely that a person will stay at one company for their entire working life. In fact, individuals that are currently under the age of 30 are likely to hold 15-20 jobs in their lifetime. Many organizations not only know this, they expect their employees will leave – it's often a matter of 'when' not 'if'.
- So keeping in mind that you won't eliminate turnover, there are steps you can take to reduce it. And once you establish a company culture that cherishes loyalty and create a sense of belonging amongst your employees, turnover will decrease to a certain degree from those factors alone. Quite simply, good retention leads to more retention. (The Insights Group Ltd, 2014)
- Employees will leave. It's inevitable and a part of doing business. But if organizations make an effort to retain their best talent, they can make significant reductions in turnover. The best way to do this is by investing in your people. Get the right people into the organization and then provide them with the tools to succeed. This means people development on all levels, with leadership development for your leaders and future leaders, who play a huge part in keeping turnover low. In the end, it's about building an organization that people want to be a part of, with everyone striving for success. (The Insights Group Ltd, 2014).
- Employees can no longer continue to have a laundry list of work experiences in their job profile. Even though employers might look into the quality of work performance within the short term of previous employment, the question of reliability and consistency comes into picture.

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APPENDIX:

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